

## FISCAL NOTE

### HB 826 - SB 1060

February 17, 2007

**SUMMARY OF BILL:** Permits state-funded pre-kindergarten programs to operate during the summer, at the option of the LEA or local governing body, so that existing public school facilities may be used.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent LEAs opt to operate a Pre-K program in the summer as opposed to a year-long program, state expenditures will decrease and local government revenues will decrease in a corresponding amount. For one program, state expenditures could decrease approximately \$57,780 with a corresponding decrease in local government revenues of approximately \$57,780. There could also be an increase in local government expenditures for overhead costs to operate such program in a school building which would not have been open in the summer otherwise. Such overhead costs could exceed \$50,000 per site.**

**No information is available to indicate how many LEAs would choose to conduct a summer Pre-K program. If at least 20 LEAs choose this as an alternative to a year-long program, state expenditures and local revenues are estimated to decrease in an amount exceeding \$1,000,000.**

Details of one Pre-K program are shown below:

#### State Expenditures

\$80,250	Aver. Pre-K grant award to LEA for 180 instructional days
<u>X 72%</u>	Summer session = 50 days or 72% less than that of a full year (180 days)
<u>\$57,780</u>	Amount of savings per classroom to the State from grant award to LEA for summer Pre-K program (Grant amount per classroom would equal approximately \$22,470 to LEA)

#### Local Revenues

\$80,250	Aver. Pre-K grant award to LEA for 180 instructional days
<u>X 28%</u>	Summer session = 50 days or 28% of full year (180 days)
<u>\$22,470</u>	Aver. amount of grant award to LEA from State

(LEAs would receive only 28% of the amount of the full Pre-K grant award based on number of days in operation)  
(Estimated loss to LEA per classroom of approximately \$57,780 for summer program)

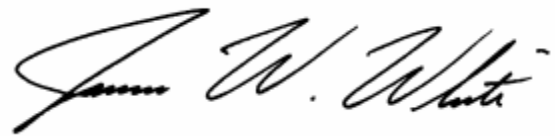
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Assumptions:

- The provisions of this bill would permit voluntary Pre-K programs to be operated as a summer program rather than a year-long program at the discretion of the LEA or its local governing body.
- A year-long program is considered to be 180 days or 36 weeks in duration. A summer program is considered to 50 days or 10 weeks in duration.
- There are currently 677 Pre-K programs being operated by 124 LEAs.
- The cost to operate one Pre-K program is estimated to average \$107,000 per 180 day program (\$80,250 state and \$26,750 local share).
- In addition, if an LEA chose to operate a pre-kindergarten program in the summer, and that program was located in a school building that would not be open for education purposes otherwise, the LEA would incur some additional expenses for custodial, food service, clerical, utilities, maintenance and administration. Such cost could approximate \$50,000 per site and would be incurred by the LEA.
- However, some public elementary schools are already open during the summer. Therefore, if these LEAs operated Pre-K programs during the summer there would be no additional expense for the items listed above.
- In some counties the \$22,470 an LEA would receive of the Pre-K grant award could be insufficient to cover the cost of salaries and benefits for the certified classroom teacher and teacher assistant since funds from lottery proceeds are funded on the same basis as the BEP. Therefore, a county receiving a lower portion of BEP funds based on fiscal capacity may not receive enough funding to pay the salary of the teacher and teaching assistant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director